



**Medicaid Value Based Payments  
&  
Colorado Providers of Distinction System  
Invitation to Negotiate - Informational Update  
January 7, 2022**

The Colorado Department of Health Care Policy and Financing (Department) is providing notice to vendors that it intends to issue competitive solicitation for experienced and financially sound organizations to perform as the Medicaid Value Based Payments & Colorado Providers of Distinction System Contractor for the Department.

The Department serves as the Medicaid Single State Agency. The Department develops and implements policy and financing for Medicaid and the Children's Health Insurance Program, called Child Health Plan Plus (CHP+) in Colorado, as well as a variety of other publicly funded health care programs for Coloradans who qualify. For more information about the Department, visit [www.Colorado.gov/HCPF](http://www.Colorado.gov/HCPF).

The primary goal of the Medicaid Value Based Payments & Colorado Providers of Distinction System is to implement a holistic approach to value-based care by promoting improvements in cost and quality across the care continuum and providing real-time feedback to providers regarding delivery of evidence-based care, achievement of quality goals, and occurrence of adverse events for chronic condition episodes of care. Included in the solicitation are the following:

- The Department plans to implement a partial prospective no-risk PMPM for both adult and pediatric primary care. The Department anticipates that a no-risk partial PMPM payment arrangement will ensure more consistent cash flow to providers as they face demand fluctuations. The program will be designed so that providers can earn shared savings from reductions in cost and achievement of quality goals for managing patients with selected chronic conditions.

- The Department intends to expand the maternity bundled payments model to all obstetrical providers, with mandatory participation starting in FY 2023-24, and to include costs and outcomes for the neonate. Under the bundled payment methodology, the Department sets a target benchmark payment for the entire maternity episode, which includes all services related to maternity care. To create the maternity bundle, the Department intends to use, as a starting point, episodes and quality measures defined by the Tennessee, Ohio, or Arkansas Medicaid programs. The Department intends to design the maternity bundle to improve health equity for historically marginalized populations and pregnant people experiencing both substance use disorder and mental health conditions in all phases of the episode. The Department will evaluate and revise the episodes and measures for Colorado, including a risk adjustment methodology.
- The Department plans to implement separate Colorado Providers of Distinction programs in primary care, specialty care, and hospital-based procedures. The Colorado Providers of Distinction programs identify healthcare providers that deliver high-value care and demonstrate better outcomes for Colorado patients and families. The programs will evaluate and publish risk-adjusted episode costs and quality for specific conditions in primary care, specialty care, and hospital-based procedures to give providers and patients information needed to promote patient choice of provider, member attribution, or referrals to the respective provider of distinction in their geographic region. In order to implement Providers of Distinction in primary care and specialty care, the Department plans to select a commercially available analytic tool to measure provider episode-based, risk-adjusted cost, and quality performance. To select hospital and surgeon Providers of Distinction, the Department intends to reuse, as a starting point, episodes of care and quality measures defined by the Tennessee, Ohio or Arkansas Medicaid programs for common and high-cost procedures. The Department will evaluate and revise the episodes, measures and risk adjustment models for Colorado.

The solicitation will be issued as an Invitation to Negotiate (ITN). For more information about the ITN process for vendors, refer to the [ITN Presentation](#).

At this time, the Department is seeking approval from the Centers for Medicare & Medicaid Service (CMS) on the funding and solicitation. CMS has reviewed the ITN and requested more information, so the timeline below has been adjusted. If CMS approves, the Department expects to release the ITN with the following timeline:

	Estimated Start Date	Estimated Finish Date
CMS Review of ITN	12/3/2021	1/4/2022
Release ITN	1/18/2022	3/4/2022
ITN Review, Contract Negotiations, Drafting of Contract Requirements	3/7/2022	7/29/2022
Award Contract	7/29/2022	7/29/2022
CMS Review of Contract	7/29/2022	9/27/2022
Execute Contract	9/28/2022	9/28/2022

Note that the timeline is subject to change without prior notice and is only provided to vendors as a reference so they can prepare to respond to the solicitation. The Contract's initial term is anticipated to begin on September 28, 2022 and end on September 30, 2027.

The Department is unable to discuss further details regarding this solicitation. Vendors should not contact Department staff, other than the person listed below, with questions regarding this solicitation. Vendors should look for the ITN to be published on [Colorado VSS](#). Any questions should be directed to Jackie Goodall at [jackie.goodall@state.co.us](mailto:jackie.goodall@state.co.us).